25 September 1978

MEMORANDUM FOR: Director of Central Intelligence

VIA:

Deputy Director of Central Intelligence

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FROM:

Deputy to the DCI for Resource Management

SUBJECT:

Your Annual Report (U)

1. (U) <u>Action Requested</u>: That you respond to Congressman Boland's letter and provide guidance enabling us to proceed with preparation of your 1978 Annual Report.

2. (C) Background:

- a. (C) E.O. 12036 requires that the PRC(I) submit an annual report on its activities to the NSC. H. Res. 658 requires that the HPSCI receive an annual report on the intelligence and intelligence related activities of the Intelligence Community, as well as those of foreign countries directed against the U.S. or its interests. (The SSCI has no formal annual report requirement.) In describing your first Annual Report as DCI last January as an account of stewardship to the President, the Congress and the Intelligence Community, you complied with the E.O. on the PRC(I)'s behalf. You have separately indicated concern, however, about the length/comprehensiveness of last January's Annual Report. We will have these concerns in mind in preparing the content and distribution of this year's Annual Report, at the same time fulfilling your legal obligation and, (that being the case) getting maximum use of the obligation as an annual opportunity for you to take stock in a way that elicits support for the major challenges and choices for intelligence as you see them.
- b. (U) The HPSCI was still in the organizational stage last January. Subsequent correspondence between Chairman Boland and yourself (see Attachment I) has refined H. Res. 658 guidance on the Annual Report down to the following:

-- the HPSCI accepts the efficiency of a single DCI Annual Report for the Executive and the Congress;

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SUBJECT: Your Annual Report (U)

- -- agrees that you are responsible for reporting on organizations and programs comprising the NFIP, with DoD responsible for reporting on Intelligence Related Activities under Secretary Brown's purview;
- -- modifies its original 31 December deadline to 25 January annually, allowing us to take account of Presidential budget decisions and other matters tied to the very end of the calendar year;
- -- leaves the question of an unclassified version of the Annual Report to your judgment;
- -- recommends more detailed treatment of intelligence activities of the Department of State and the FBI in this year's Annual Report;
- -- finds the general format of last year's Annual Report acceptable provided information requested on six additional topics (see Attachment I-A, appendix to 15 September 1978 letter from Chairman Boland to you) be included "or otherwise appended."

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c. (U) Of these six topics specified by Chairman Roland all but one

can be treated in at least summary form in this year's Annual Report, with the full detail called for transmitted to the HPSCI either appended to their copy of the Annual Report or forwarded separately as appropriate. An interim response to Chairman Boland for your signature is at Attachment 3. We have arranged with Executive Registry to give action on task 4 to OLC for staffing out with CIA/DDO, NSA, etc., and preparation of an appropriate separate response; the other tasks are being staffed out as indicated on your copy of Attachment I-A. ________ is discussing these arrangements with HPSCI Staff Chief Tom Latimer.

d. (C) Your Annual Report has several audiences—the President, other NSC members and the Congress, but also the senior managers in the intelligence and parts of the policy communities. It is probably not practical to prepare more than one Annual Report, nor desirable to dilute the impact of a single document where you can interpret the main features of 19/8 in intelligence, highlighting progress and your own major concerns. At Attachment 3 is a draft structure and outline designed to focus primarily on the known or presumed interests

SUBJECT: Your Annual Report (U)

of your principal readers. It is envisioned as a more selective, less comprehensive, Annual Report than last year for the following reasons:

- -- As your first year as DCI, and a year of major structural change in the Intelligence Community, a comprehensive treatment of those changes was appropriate in the Annual Report on 1977. This year is one in which you are more focused on getting the revised intelligence machinery to grapple effectively with key resource, management, substantive and operational issues, and a more selective reporting format seems suited to this year;
- -- A more selective approach will help us control length sufficiently for important busy readers (we are aiming at 30-40 pages, vs. last year's 80 plus). Length and selectivity will allow us to be sensitive to heightened security concerns, although we cannot be under any illusion that a DCI Annual Peport worth issuing will be other than an extremely sensitive document. I want to give the matter of a Secret level version some more thought before providing you with considerations relevant to a decision; basically, however, I wonder whether the audience for a Secret version is important enough to warrant doing it (on security and effort grounds). Clearly an Unclassified version cannot say enough meaningful to be worth doing;
- -- For the report outlined in Attachment 3, Part I would cover the important features and trends of 1978 in intelligence. plus oversight and public relations matters that should be noted. Part II would discuss key intelligence issues of express concern to the Executive and the Congress that are getting your ongoing attention, and on which in an Annual Report you can elicit support by communicating the complexities, elusiveness and difficult choices involved in each.
- -- I again recommend against including a threat assessment in your Annual Report because the threat is, in general, well understood by your policy and oversight audiences. There are several such descriptions around of the world environment as it affects U.S. interests, and it is not easy to say something fresh or meaningful to readers already sophisticated on the subject. Additionally, a threat assessment would add to the length of an already overlong document.
- 3. (U) <u>Recommendation</u>: That you approve the Report structure, making any improvements you wish to the draft outline (Attachment 3); sign the

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interim reply to Chairman Boland (Attachment 2), and sign a request to the NFIB to provide data and assistance in the preparation of the Annual Report (Attachment 4).
Attachments: 1. Letter from Chairman Boland dated September 15, 19/8 1A. Additional Information: Annual Report from Chairman Boland 2. Interim Reply to Chairman Boland 3. Draft Outline Annual Report 4. Memo to Members NFIB
CONCEPT/OUTLINE OF THE ANNUAL REPORT:
APPROVED: Director of Central Intelligence
DCI approval still needer on Outline DISAPPROVED:
Director of Central Intelligence
DATE:

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SUBJECT: Your Annual Report (U)

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Distribution:

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DCI/IC/PGO/ (22 Sept 78)

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U.S. HOUSE OF REPRESENTATIVES

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Bob Wilson, Calif. John M. Ashbrook, Ohio Robert McClory, Ill. J. Kenneth Robinson, Va.

WASHINGTON, D.C. 20515

Thomas K. Latimer, Staff Director Michael J. O'Neil, Chief Counsel

September 15, 1978

Honorable Stansfield Turner Director of Central Intelligence Washington, D.C. 20505

Dear Admiral Turner:

This is in further reference to your letters of March 1 and April 12, 1978 suggesting that the annual reports to be submitted to this Committee concerning intelligence and intelligence-related activities should be consolidated into one report. The structure of the Annual Report which you submit to the President could then be changed to respond to the requirements of reports requested by this Committee.

After careful consideration, the Committee agrees that it would be useful and more efficient for you to continue reporting on the activities of those organizations and programs which are part of the National Foreign Intelligence Program, while leaving to the Department of Defense the responsibility to prepare an additional report on intelligence-related activities, as well as other appropriate comments regarding intelligence activities.

In addition, the Committee recommends more detailed treatment of the intelligence activities of the Department of State and Federal Bureau of Investigation in your next report.

The format used in the 1977 Annual Report is acceptable for 1978 provided the additional information specified in the attachment is included or otherwise appended.

With respect to the Committee's request for an unclassified version of your report, the Committee recognizes it may be necessary to use a different approach and proposes to leave its arrangement to your judgment.

The Committee requests your assistance in providing the Annual Report prior to January 25, 1979.

With every good wish I am,

incerely yours

EDWARD P. BOLAND

Chairman

Attachment

The Honorable Edward P. Boland, Chairman House Permanent Select Committee on Intelligence House of Representatives Washington, D. C. 20515

Dear Mr. Chairman:

Enclosed is a copy of my 1977 Annual Report on the Intelligence Community. I believe the report reflects a spirit of cooperation and candor with the Congress and I hope that you will find the document useful as your Committee undertakes its new responsibilities. We are also publishing a Secret version of this report and it will be made available to you in the very near future.

The purpose of the report is to set forth an account of my stewardship of the Intelligence Community for the period concerned and to record my observations relating to the tasks and challenges, problems and achievements, and budget thrust associated with the National Foreign Intelligence Program.

As noted in earlier correspondence, it continues to be my recommendation that a single annual report, will meet the needs of both the Executiv Branch and the Congress. To that end, my staff will be in contact with yours to discuss any needed modifications to the format and content of this report in order to meet your requirements at the end of 1978.

With very best wishes.

Enclosure:

Sincerely

STANSFIELD TURNER

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Honorable Edward P. Boland, Chairman Permanent Select Committee on Intelligence House of Representatives Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter of 24 January, regarding the provision in H. Res. 658 calling for an annual report to be submitted to the Committee, covering intelligence and intelligence-related activities of all elements of the Intelligence Community. I particularly appreciate your early request for such a report; this will enable us to work closely with Mr. Latimer to ensure the Committee's needs are met.

The utility of an annual report on intelligence activities has been recognized by the Executive Branch. Such a report has been prepared for the President over the past few years; copies of the most recent reports have been provided to our Congressional oversight committees. It has been my intention to provide your Committee a copy of my 1977 Annual Report as soon as it is completed and approved.

In order to avoid costly duplication of effort, it is my hope that a single report summarizing the year's developments in the Intelligence Community can serve the purposes of both the Executive Branch and the Congress. I suggest that Mr. Latimer review the 1977 Annual Report, and then meet with a representative of my Office of Legislative Counsel to discuss whether this meets the needs of the Committee.

I note that H. Res. 658 calls for an unclassified version of the annual report. While I am determined that the Intelligence Community be as open as possible, I must defer on a commitment to provide an unclassified annual report. Past annual reports have not been issued in unclassified form, but the 1977 report will be studied after completion to determine if this is feasible. We will want to discuss this question with Mr. Latimer.

Distribution

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STANSFIELD TURNER

Yours sincere.

OLC:MMP:sf (27 Feb 78)

ART P. BOLAND, MASS., CHAIRMAN

CLEMENTS. ZABLOCKI, WIS.
BILL D. EURLISON, MODPOVED FOR Release 2004/10/27: CIA-RDP80M00772A000400020022-1 LES ASPIN, WIS. CHAPLES ROSE, N.C.

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U.S. HOUSE OF REPRESENTATIVES

PERMANENT SELECT COMMITTEE # ON INTELLIGENCE

WASHINGTON, D.C. 20515

January 24, 1978

ROOM H-405, U.S. CAPITOL (202) 225-4121

Honorable Stansfield Turner Director of Central Intelligence Washington, D. C.

Dear Admiral Turner:

The House of Representatives, in adopting H. Res. 658 creating the Permanent Select Committee on Intelligence, required the Committee to provide that an annual report be submitted to it by December 31 of each year beginning on December 31, 1978, reviewing the intelligence and intelligence-related activities of all the elements of the intelligence community as well as the intelligence and intelligence-related activities of foreign countries directed at the United States or its interest.

Accordingly, I am requesting that you prepare a report dealing with those aspects of intelligence and intelligence-related activities with which you are cognizant as the Director of Central Intelligence.

This report should be submitted in both classified and unclassified versions.

I would appreciate it if you would appoint an action officer to liaise with the Committee in producing this report. He or she should contact Mr. Thomas K. Latimer, Staff Director of the Committee at 225-4121.

With every good wish, I am,

Chairman

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yours

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Washington, D. C. 20505

September 28, 1978

The Honorable Edward P. Boland, Chairman Permanent Select Committee on Intelligence U.S. House of Representatives Washington, D. C. 20515

Dear Mr. Chairman:

Your letter of September 15, 1978, is very helpful in clarifying guidance on timing and content of my Annual Report. I will be able to accommodate the topics you specify as wanting included and/or emphasized

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does not seem to me an appropriate topic for coverage in an Annual Report; accordingly my Office of Legislative Counsel will be in touch with your Staff shortly about an appropriate separate response to this request.

With respect to the other five special subjects, and the scope and content of the Annual Report generally, members of my Resource Management Staff are in touch with the Committee's Staff Director, Mr. Latimer.

With very best wishes.

Yours sincerely,

STANSFIELD TURNER

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Next 1 Page(s) In Document Exempt

Approved For Release 2004/10/27 PC/A-RDP80M00772A000400020022-1 NATIONAL FOREIGN INTELLIGENCE BOARD

29 September 1978

MEMORANDUM FOR THE NATIONAL FOREIGN INTELLIGENCE BOARD SUBJECT: My Annual Report

I very much appreciated the help that you and your organizations provided a year ago in the preparation of my first report as DCI on the Intelligence Community to the President and the Congress. Preparation of this year's Annual Report is now underway, and I would be grateful if you and your organizations would assist with input and/or review as requested. The staff of my Deputy for Resource Management will be in touch with you shortly on specific needs.

Original given to NFIB to be sent out